

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4226
ANSWERED ON:04.05.2007
UPGRADATION OF NATIONALIZED BANK
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken any steps to upgrade the nationalized banks to the international level and to provide all those facilities in the nationalized banks which are being easily provided to the customers by the international banks; and

(b) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): To ensure smooth and efficient functioning of banking sector in general and public sector banks (PSBs) in particular and to enable them to compete at international level, Reserve Bank of India (RBI) has prescribed measures / guidelines for strengthening of prudential supervision viz. provisioning and classification norms for non-performing assets (NPAs), capital adequacy norms, guidelines to improve customer service, etc. Further, Government announced an Autonomy Package in February 2005 for the PSBs to enable them take quick and efficient decisions, and to provide Bank Boards sufficient managerial autonomy to enable Public Sector Banks to compete internationally. Government has also put in place a mechanism to monitor the performance of PSBs on the basis of the 'Statement of Intent on Annual Goals' submitted by them on various performance parameters. The Banking Ombudsman Scheme has been revised in January 2006 to include customer grievances relating to credit cards, services promised by the banks, etc. Banking Codes & Standards Board of India (BCSBI) has also been set up to measure the performance of the banks against global standards based on established best practices. Nationalised Banks are providing a wide range of services to customers, and are increasingly using information technology to extend the reach of core banking solutions, introduce technology based products and services like mobile banking and expand internet banking.